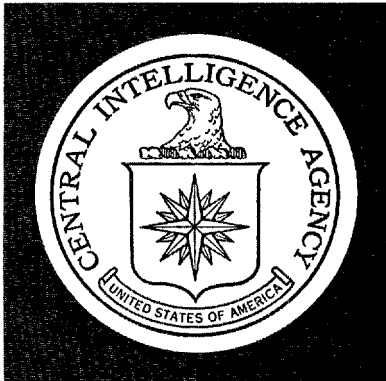


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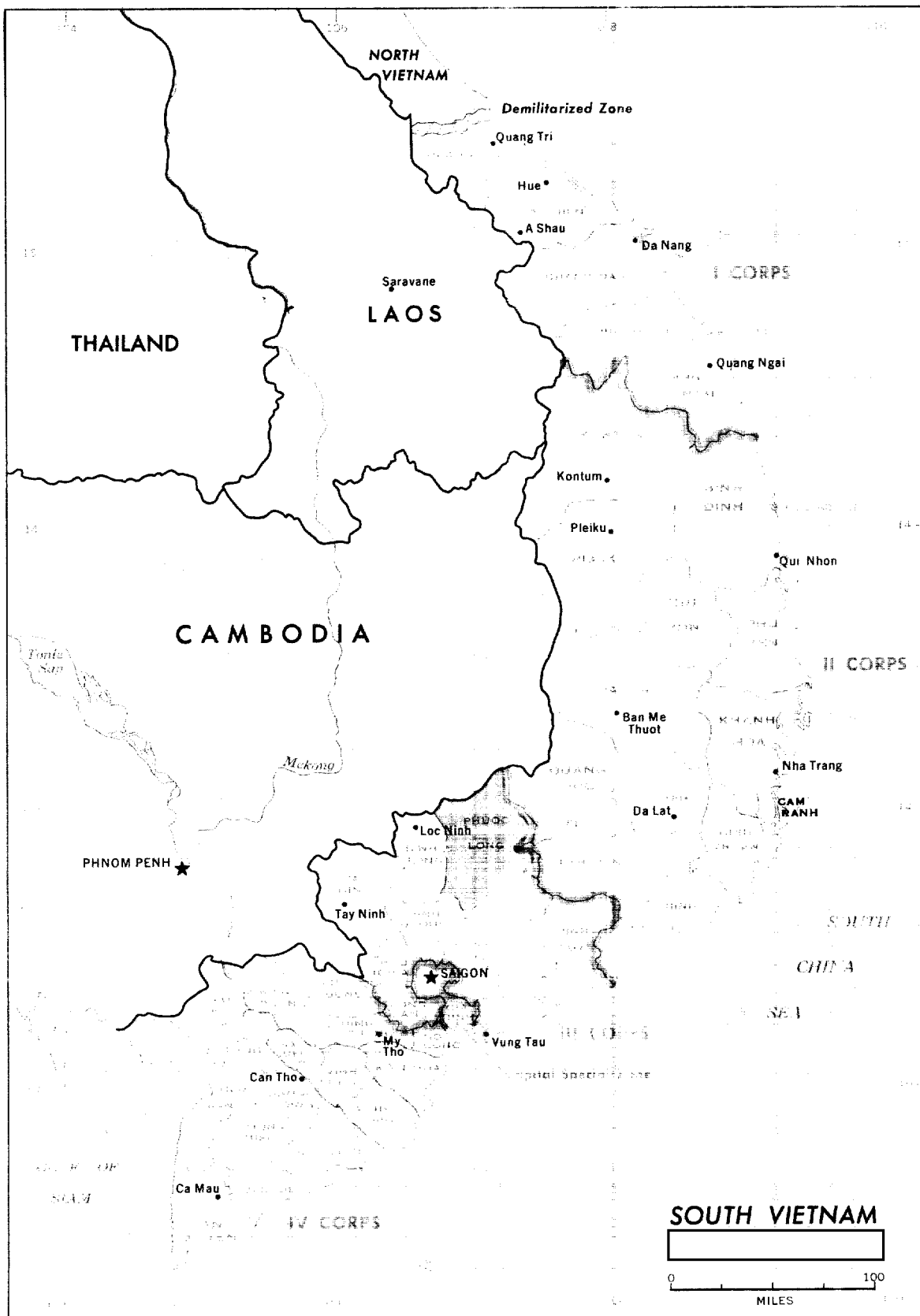
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【 South Vietnam: President Thieu has agreed to demands by National Assembly members that they be allowed to debate the sending of a negotiations team to Paris, as provided for in Article 39 of the constitution.

Thieu, after being reminded by Assembly leaders that the constitution empowers the legislature to "determine declarations of war and the holding of peace talks," recently asked the chairmen of both houses for Assembly approval of the delegation. Assembly members opposed to the talks, or angered by the government's belated recognition of their constitutional prerogatives, may use the upper and lower house sessions of 4 and 5 December to vent their spleen, and this could further delay the despatch of the negotiators.

On the military front in South Vietnam, the enemy launched several strong ground attacks against US positions in Phuoc Long Province on 3 December. US casualties in the engagement were 23 killed and 52 wounded.

(Map) I

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France: The half-day work stoppage tomorrow at Renault's Billancourt plant may signal the beginning of militant labor reaction against the government's austerity program.

The decision to strike was backed by about 75 percent of the workers, who are represented in large part by the Communist-led General Confederation of Labor. The strike call resulted from a warning by management that it would not grant new concessions when contract talks open at the end of the month. The management also has indicated year-end bonuses would be smaller this year and has failed to act on several other issues of importance to the workers.

Renault--and particularly its large installation at Billancourt, a suburb of Paris--has always been considered a bellwether among French workers. The Billancourt factory was one of the first major industrial sites occupied by workers in the wave of sit-ins which paralyzed France's economy last May.

Following the Billancourt strike decision this week, two other Renault plants decided to join in tomorrow's token strike. In addition, the Communist party press has warned that Citroen auto workers may also strike to protest the firing of two labor militants.

The work stoppage is clearly aimed at economic targets, but political overtones were evident in the union's communiqué which called for "getting rid of Gaullism." The strike comes at a time when all unions are expressing grave dissatisfaction with the austerity program, which they maintain does not adequately protect workers against a rise in the cost of living. Hoping to head off new demonstrations, Prime Minister Couve de Murville is meeting this week with leaders of the major unions to explain the government's plan to defend the franc. [REDACTED]

[REDACTED]

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Netherlands: The parliament has passed an amended 1969 defense budget providing for a modest increase in spending over the next three years.

The larger defense appropriation is a direct result of the Czechoslovak crisis. It was approved by parliament despite the considerable opposition led by the Labor Party, and including members of the government coalition parties. A countrywide protest campaign moved Prime Minister De Jong to make an unusual appearance on television to defend the government's policy.

The Prime Minister's efforts probably arose from his conviction that the government is ahead of the people on the defense issue. He may also be concerned that his government, after having enjoyed the confidence of the people in past months, is now facing complaints that the government's interest in social welfare spending is lagging.

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Pakistan: Potentially significant dissatisfaction with the Ayub government may be developing within the armed forces.

Alleged favoritism within the military and widespread corruption within the government are apparently the main causes of discontent. There have also been indications of some break in the solid support for Ayub by the powerful civil service, which, along with the military, is an important pillar of Ayub's strength. Nevertheless opposition to the government within the middle ranks of the Pakistani officer corps is as yet basically uncrystallized and may not yet be a serious threat, according to an unconfirmed report from Karachi.

These reports of growing disenchantment with Ayub among some of his once close supporters have coincided with the first openly political tour by former air force chief Asghar Khan. Although Asghar has yet to prove himself as an attractive political personality in East Pakistan, his initial reception in the North-west Frontier area of his native West Pakistan has been enthusiastic. Asghar, as opposed to the more traditional political leaders, has a reputation both for incorruptibility and basic conservatism, which could appeal to disaffected elements within the military and the civil service. [REDACTED]

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Brazil: Church-state tension is on the rise and adding to the problems of the Costa e Silva government.

Federal police in Belo Horizonte raided an Augustinian community in a workers' district on 29 November and arrested three French priests, a French seminarian, and two Brazilians. Immediate support for those arrested has been forthcoming from the local church hierarchy. The local military commander has accused the priests of "preaching Guevara in the churches and organizing armed guerrilla movements." He regards the church's defense of the priests as a direct challenge.

There were already significant strains between the government and the Catholic church. [redacted] the estrangement between the government and leading clergymen is growing rapidly, and some bishops reportedly believe that the church is at as great a disadvantage in Brazil as in Communist countries. Even previously conservative bishops now say that the church must defend the interests of the poor and that it cannot tolerate government persecution of its efforts to carry out church doctrine.

President Costa e Silva, himself a devout Catholic, has not sought a conflict with the church. Many of his military backers, however, are increasingly vexed by what they regard as church protection of "subversives." If they push the government into prosecuting or punishing members of the clergy, a debilitating struggle could ensue that would further erode Costa e Silva's support. [redacted]

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OAS-Cuba: Secretary General Galo Plaza appears to be maneuvering within the Organization of American States to gain greater US aid for Latin America.

His recent proposal for an intensive study of the obstacles preventing the admission of Cuba to the organization was probably made with this goal in mind. In other speeches since assuming his position last May, Galo Plaza has frequently denounced US aid cuts for the Alliance for Progress and made clear that his major role is to act as spokesman for Latin American financial "needs."

Galo possibly believes that his action on the Cuba question will please various governments and political groups in Latin America that rely heavily on anti-US nationalist issues and expound "independent" foreign policies. On the other hand, some governments, such as those in Venezuela and Central America, are likely to react adversely because of their concern over Castro's efforts to exploit the potential revolution in the hemisphere. [REDACTED]

[REDACTED]

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USSR: The high-level foreign policy review which appears to be under way in Moscow may be a prelude to a meeting of the party's ruling central committee. A number of ranking Soviet diplomats, including Vasily Kuznetsov, Moscow's special emissary to Prague, and the Soviet ambassadors to the United States, Poland and Rumania, have left their posts to return to Moscow during the last two weeks. These officials are all members of the central committee which generally meets before sessions of the parliament, the Supreme Soviet. The Supreme Soviet, scheduled to open on 10 December, will be primarily concerned with the economic plan and budget for 1969, but foreign policy questions may also be on the agenda. [REDACTED]

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Venezuela: The political atmosphere in Venezuela is becoming charged as vote tabulation, still incomplete, fails to show a winner. Official tallies show Christian Democrat Rafael Caldera slightly ahead of the government party candidate, Gonzalo Barrios, but they are offset by unofficial tabulations that give Barrios a narrow lead. The situation will almost certainly give rise to charges of vote fraud, and demonstrations can be expected. The military are maintaining a full alert to cope with any disturbance of public order. [REDACTED]

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Italy: The killing of two striking farm workers by police on 2 December has had widespread repercussions. The three labor confederations have called for massive walkouts today, and another nationwide strike is scheduled for tomorrow. Students have demonstrated in several cities, and the Communist party has renewed its demand that the police be disarmed. Meanwhile, Premier-designate Mariano Rumor is still negotiating with political leaders over cabinet appointments and a program for a new center-left coalition government. [REDACTED]

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USSR-Jordan: Jordan will send a delegation to Moscow this month to discuss economic aid projects. The USSR probably is prepared to conclude an aid agreement after studying the results of a mission it sent to Jordan last January to survey potential development projects. Moscow's only participation in Jordan's economic development thus far has been a \$1.7 million contract signed in late 1966 to supply equipment for the Khaled Dam. This project apparently has been in abeyance since the Arab-Israeli war of June 1967. [REDACTED]

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Turkey: The opposition to Prime Minister Demirel's moderately conservative government may be further fragmented by in-fighting among members of the Marxist, anti-US Turkish Labor Party (TLP). Executive board member Sadun Aren and his supporters have made increasingly bitter attacks on party president Mehmet Ali Aybar. Aren's group has now been joined by the popular leftist column and TLP parliamentary deputy Cetin Altan. If Aybar's current fence-mending campaign among provincial TLP leaders fails and the Aren-Altan faction actually breaks with the TLP, the resulting new party would probably stand even more to the left than the TLP. [REDACTED]

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